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Released: August 12, 2009

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF
UNION TELEPHONE COMPANY AND PARTIAL TRANSFER OF ASSETS OF
FREEDOM RING COMMUNICATIONS, LLC D/B/A UNION LONG DISTANCE
TO TDS TELECOMMUNICATIONS CORPORATION**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 09-145

Comments Due: August 26, 2009

Reply Comments Due: September 2, 2009

On August 4, 2009, Utel, Inc. (Utel), the ultimate owner of Union Telephone Company (Union) and Freedom Ring Communications, LLC d/b/a Union Long Distance (Freedom Ring), and TDS Telecommunications Corporation (TDS Telecom) (collectively, Applicants), filed an application pursuant to section 63.03 of the Commission's rules¹ seeking approval to transfer control of Union to TDS Telecom and to transfer the assets and customers of Freedom's Ring's long distance operations in Union's local exchange service area to TDS Telecom.

Utel, a New Hampshire corporation, is the 100 percent direct owner of Union and 100 percent indirect owner of Freedom Ring. Union, also a New Hampshire corporation, is an incumbent local exchange carrier (LEC) serving the Alton, Barnstead, Center Barnstead, Gilmanton Iron Works, and New Durham exchanges in New Hampshire. Freedom Ring, a Maine limited liability company, is a wholly-owned subsidiary of ACN, Inc. a New Hampshire corporation that is also a wholly owned subsidiary of Utel. Freedom Ring's ULD division provides interstate service to customers in Union's local exchange service territory. TDS Telecom, a Delaware corporation, is a wholly owned subsidiary of Telephone and Data Systems, Inc. (TDS). TDS is a U.S.-based holding company that operates 112 incumbent LEC subsidiaries and also provides competitive LEC services in multiple states through TDS Telecom. TDS also owns 80.8 percent of the nationwide wireless provider, United States Cellular Corporation (USCC) that provides service to over 6.2 million customers in 26 states, including in Belknap County, New Hampshire where Union's Alton, Barnstead, Center Barnstead, and Gilmanton Iron Works exchanges are located. USCC does not provide wireless service in Strafford County where Union's New Durham

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic section 214 application on August 12, 2009.

exchange is located. In New Hampshire, TDS currently operates four incumbent LECs.² Applicants state that Union and TDS Telecom are incumbent LECs that have, in combination, fewer than two percent of the subscriber lines installed in the aggregate nationwide and that none of TDS Telecom's wireline incumbent LEC exchanges overlap or are adjacent to the incumbent LEC service area of Union. Because this transaction is more complex than usual, in order to analyze whether the proposed transaction would serve the public interest, this application will not be streamlined.³

Applicants state that TDS is controlled by a voting trust whose trustees are LeRoy T. Carlson, Jr., Walter C.D. Carlson, Prudence E. Carlson, and Letitia G.C. Carlson, all U.S. citizens. They further state that the voting trust controls 51.8 percent of the voting power of TDS's total shares that vote in matters other than the election of directors and 94.5 percent of the Series A Common Shares that elect eight of TDS's 12 directors. Applicants further state that Southeastern Asset Management, Inc., a U.S.-based entity, holds a 16.3 percent equity interest in TDS, and that no other individual or entity controls a 10 percent or greater equity or voting interest in TDS.⁴

Pursuant to the terms of the proposed transaction, TDS Telecom will purchase Union from Utel and will also purchase the interstate assets of Freedom Ring's ULD division. Union will become a wholly owned subsidiary of TDS Telecom. Freedom Ring will retain its customers outside of Union's local exchange service area.

Applicants state that a grant of this application will serve the public interest, convenience, and necessity because TDS Telecom will be able to offer Union's rural customers access to state of the art services and will invest in its facilities in order to improve service speeds and availability. Applicants further assert that the proposed transaction will not harm competition in Union's territory where there are alternative wireline and wireless providers.

GENERAL INFORMATION

The transfer of control and assets identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before August 26, 2009** and reply comments **on or before September 2, 2009**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's e-Rulemaking Portal, or (3) by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal e-Rulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should

² TDS Telecom's incumbent LECs in New Hampshire are Hollis Telephone Company, Kearsarge Telephone Company, Merrimack County Telephone Company, and Wilton Telephone Company. Applicants state that TDS Telecom's competitive LEC subsidiary, TDS Metrocom, does not provide service in New Hampshire.

³ 47 C.F.R. § 63.03(b), (c)(1)(v).

⁴ Applicants state that Southeastern Asset Management, Inc. holds various interests in the following other telecommunications providers: Level 3 Communications and tw telecom, Inc.

include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

In addition, one copy of each pleading must be sent to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- 2) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 3) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 4) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: (202) 488-5300; fax: (202) 488-5563; e-mail: fcc@bcpiweb.com; url: www.bcpiweb.com.

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For further information, please contact Tracey Wilson-Parker at (202) 418-1394 or Jodie May at (202) 418-0913.